call for tenders. Purchase of articles or group of articles upto Rs. 500|- on each occasion may be made without even inviting quotations. Purchase of articles costing between Rs. 501|- to Rs. 5000|- can be made without calling tenders. However in such cases, quotations must be invited. All the Ministries|Departments are required to follow the rules|instructions on the subject.

(d) Yes, Sir. A reference has been received regarding purchase procedure being followed by the Kendriya Bhandar. The same has been forwarded to the Department of Personnel and Training for appropriate action.

(e) Under the General Financial Rules, escalation in respect of labour cost, customs duties, freight, raw materials, etc. can be provided for in the contract, but the basis for the calculation of the same should be clearly indicated. Price escalation in case of raw materials can be allowed only where the prices are controlled| regulated by Government or Government agencies.

(f) and (g) In view of (a) above, the question does not arise.

Irregularities in Bank of credit and Commerce International

1147. SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pleased to state:

(a) whether some irregularities in schemes of the Bank of Credit and Commerce International were detected in 1985 and 1986;

(b) if so, whether any action was taken against the bank in this regard;

(c) if so, the details thereof; and

(d) if not, whether Government have taken steps to ensure that strict action is taken against foreign banks on detection of any irregularities committed by them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Reserve Bank of India (RBI) has reported that during its inspection of the Bank of Credit and Commerce International (BCCI) with reference to the position as on 22nd February, 1986, the following irregularities were observed in the Scheme known as Customer Funds Management Scheme (CFM), introduced by the bank, whereby the customers placed their funds at the disposal of the Bank for discounting of the bills co-accepted by the bank:—

(i) The funds accepted by the tank under CFM Scheme were to be treated as normal deposits instead of treating them as bills discounted. Accordingly, the Bank should have taken the above funds for calculation of SLR and CRR.

(ii) the co--acceptance of the bills was granted free of commission.

(b) and (c) RBI has intimated that the Bank gave its compliance to RBI's above inspection findings under CFM Scheme. This position was also subsequently confirmed in the RBI's inspection report with reference to its position as on 7th January, 1988. In view of this no action against the Bank was considered necessary by the RBI.

(d) RBI is empowered to take penal action in respect of banks operating in India (including foreign banks) on detection of irregularities committed by them.

Excise duty on pressure cookers

1148. SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have analysed the results of excise duty imposition on pressure cookers;

(b) if so, the details thereof;

(c) whether this high duty imposition has brought down the demand for pressure cookers and hiked the consumption of kerosene oil;

(d) if so, whether Government propose to review the decision in this regard; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) As part of the overall policy of broadening the tax base and to give protection to the tiny and small units, excise duty on pressure cookers was imposed in 1994 budget at the rate of 10 percent. The effective increase in excise duty will be considerably less as the manufacturers will be able to take full credit of excise duty paid on their inputs. Besides, small scale units making pressure cookers will not have to pay any excise duty on their clearances upto Rs. 30 lakhs, and the incidence of duty will be borne only by bigger units. There is no information available that the imposition of excise duty has discouraged the use of pressure cookers resulting in higher consumption of kerosene oil.

(d) and (e) Do not arise in view of (a), (b) and (c) above.

Payment of DA to Central Government employees

1149. SHRI BHAGABAN MAJHI: Will the Minister of FINANCE be pleased to state

(a) the quantum of DA that has become due for payment to the Central Government employees at present; and

(b) the steps taken to release the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) In accordance with the formula accepted by the Govt. on the basis of the recommendations of the 4th Central Pay Commission, dearness allowance to Central Govt. employees is revised twice a year from 1st January and 1st July which normally becomes payable with the salary for the months of March ad September respectively Each such instalment is calculated on the basis of the percentage increase in 12 monthly average of All India Consumer Price Index for Industrial Workers (General) (1960—100) over the base index of 608, to which the existing scales of pay effective from 1-1-1986 are related. The additional instalment of DA due from 1st January becomes normally payable with the salary for the month of March, paid in April.

World Bank Amount

1150. SHRI S. VIDUTHALAI VIRUMBI: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount sanctioned by the World Bank for several schemes in India during the last three years;

(b) what is the amount undisbursed for those schemes during the same period;

(c) whether it is a fact that Government are paying some charges on those unavailed amounts; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The total amount authorised by the World Bank to India was Rs. 6946 Crores Rs. 5122 Crores and Rs. 4465 Crores during 1991-92, 1992-93 and 1993-94 respectively.

(b) The disbursement of these amounts depend on the project-cycle implementation schedule, which is normally 5 to 7 years. The cummulative undisbursed amount against the loan sanctioned during the last